



United States of America

v.

Edward Vaughan and Hadi Akkad

4:22CR162

Chief Judge Amos Mazzant

Choices

Choices - Intent

BUSINESS CHOICES

- Advertise themselves as Interchange cost-plus
- Send cost-comparisons without the full disclosure
- Train employees incorrectly
- Send marketing materials without the full disclosure
- Ignore customer complaints about the disclosures
- Not change any practices in response to the lawsuit or the complaints

TECHNICAL CHOICES WITH TSYS

- Hide the markup in interchange
- Not disclose that the .3 was hidden in interchange
- Not put the full rate for offline debit on one line in the merchant contract or the Plan Summary Section
- Not break out the fees in the interchange section
- Not label the fees in the interchange section
- Not issue a statement disclosure, email, or general notice

Reason and Common Sense

- “Based upon reason and common sense after careful and impartial consideration of all the evidence”
- “You are permitted to draw such reasonable inferences from the testimony and exhibits as you feel are justified in the light of common experience”
- “You may make deductions and reach conclusions that reason and common sense lead you to draw”

Misrepresentations

A representation is **false** if:

- It is “known to be untrue or is made with reckless indifference as to its truth or falsity”
- It “constitutes a half truth”
- It “effectively omits or conceals a material fact”

ETS Merch Application and Agreement

110 Crossway Park West, Westbury, NY 11591
Merchandise Return Department
1-800-828-1111

Merchant: **p-204720514218** MCC: **8398**

AMERICAN RED CROSS IN THE NATIONAL CAPITAL REGION
1000 THEODORE ROOSEVELT BLVD
FAIRFAX VA 22031-4034

Processing Month: **05-12** 6329

Association Number: **040005**

Merchant Number: **6329304750514238**

Routing Number: **054001204**

Deposit Account Number: **xxxxxxx008748**

Amount Deducted: **\$ 52.83**

Plan Summary

Plan	Number of	Amount of	Number of	Amount of	Net	Plan	Number of	Amount of	Net	Plan	Number of	Amount of	Net
	Plans	Plans	Plans	Plans	Plans		Plans	Plans	Plans		Plans	Plans	Plans
01	11	14,364.00	01	14,364.00	122.19	02	11	14,364.00	122.19	03	11	14,364.00	122.19
04	11	14,364.00	04	14,364.00	122.19	05	11	14,364.00	122.19	06	11	14,364.00	122.19
07	11	14,364.00	07	14,364.00	122.19	08	11	14,364.00	122.19	09	11	14,364.00	122.19
10	11	14,364.00	10	14,364.00	122.19	11	11	14,364.00	122.19	12	11	14,364.00	122.19
13	11	14,364.00	13	14,364.00	122.19	14	11	14,364.00	122.19	15	11	14,364.00	122.19
16	11	14,364.00	16	14,364.00	122.19	17	11	14,364.00	122.19	18	11	14,364.00	122.19
19	11	14,364.00	19	14,364.00	122.19	20	11	14,364.00	122.19	21	11	14,364.00	122.19
22	11	14,364.00	22	14,364.00	122.19	23	11	14,364.00	122.19	24	11	14,364.00	122.19
25	11	14,364.00	25	14,364.00	122.19	26	11	14,364.00	122.19	27	11	14,364.00	122.19
28	11	14,364.00	28	14,364.00	122.19	29	11	14,364.00	122.19	30	11	14,364.00	122.19
31	11	14,364.00	31	14,364.00	122.19	32	11	14,364.00	122.19	33	11	14,364.00	122.19
34	11	14,364.00	34	14,364.00	122.19	35	11	14,364.00	122.19	36	11	14,364.00	122.19
37	11	14,364.00	37	14,364.00	122.19	38	11	14,364.00	122.19	39	11	14,364.00	122.19
40	11	14,364.00	40	14,364.00	122.19	41	11	14,364.00	122.19	42	11	14,364.00	122.19
43	11	14,364.00	43	14,364.00	122.19	44	11	14,364.00	122.19	45	11	14,364.00	122.19
46	11	14,364.00	46	14,364.00	122.19	47	11	14,364.00	122.19	48	11	14,364.00	122.19
49	11	14,364.00	49	14,364.00	122.19	50	11	14,364.00	122.19	51	11	14,364.00	122.19
52	11	14,364.00	52	14,364.00	122.19	53	11	14,364.00	122.19	54	11	14,364.00	122.19
55	11	14,364.00	55	14,364.00	122.19	56	11	14,364.00	122.19	57	11	14,364.00	122.19
58	11	14,364.00	58	14,364.00	122.19	59	11	14,364.00	122.19	60	11	14,364.00	122.19
61	11	14,364.00	61	14,364.00	122.19	62	11	14,364.00	122.19	63	11	14,364.00	122.19
64	11	14,364.00	64	14,364.00	122.19	65	11	14,364.00	122.19	66	11	14,364.00	122.19
67	11	14,364.00	67	14,364.00	122.19	68	11	14,364.00	122.19	69	11	14,364.00	122.19
70	11	14,364.00	70	14,364.00	122.19	71	11	14,364.00	122.19	72	11	14,364.00	122.19
73	11	14,364.00	73	14,364.00	122.19	74	11	14,364.00	122.19	75	11	14,364.00	122.19
76	11	14,364.00	76	14,364.00	122.19	77	11	14,364.00	122.19	78	11	14,364.00	122.19
79	11	14,364.00	79	14,364.00	122.19	80	11	14,364.00	122.19	81	11	14,364.00	122.19
82	11	14,364.00	82	14,364.00	122.19	83	11	14,364.00	122.19	84	11	14,364.00	122.19
85	11	14,364.00	85	14,364.00	122.19	86	11	14,364.00	122.19	87	11	14,364.00	122.19
88	11	14,364.00	88	14,364.00	122.19	89	11	14,364.00	122.19	90	11	14,364.00	122.19
91	11	14,364.00	91	14,364.00	122.19	92	11	14,364.00	122.19	93	11	14,364.00	122.19
94	11	14,364.00	94	14,364.00	122.19	95	11	14,364.00	122.19	96	11	14,364.00	122.19
97	11	14,364.00	97	14,364.00	122.19	98	11	14,364.00	122.19	99	11	14,364.00	122.19
100	11	14,364.00	100	14,364.00	122.19	101	11	14,364.00	122.19	102	11	14,364.00	122.19
103	11	14,364.00	103	14,364.00	122.19	104	11	14,364.00	122.19	105	11	14,364.00	122.19
106	11	14,364.00	106	14,364.00	122.19	107	11	14,364.00	122.19	108	11	14,364.00	122.19
109	11	14,364.00	109	14,364.00	122.19	110	11	14,364.00	122.19	111	11	14,364.00	122.19
112	11	14,364.00	112	14,364.00	122.19	113	11	14,364.00	122.19	114	11	14,364.00	122.19
115	11	14,364.00	115	14,364.00	122.19	116	11	14,364.00	122.19	117	11	14,364.00	122.19
118	11	14,364.00	118	14,364.00	122.19	119	11	14,364.00	122.19	120	11	14,364.00	122.19
121	11	14,364.00	121	14,364.00	122.19	122	11	14,364.00	122.19	123	11	14,364.00	122.19
124	11	14,364.00	124	14,364.00	122.19	125	11	14,364.00	122.19	126	11	14,364.00	122.19
127	11	14,364.00	127	14,364.00	122.19	128	11	14,364.00	122.19	129	11	14,364.00	122.19
130	11	14,364.00	130	14,364.00	122.19	131	11	14,364.00	122.19	132	11	14,364.00	122.19
133	11	14,364.00	133	14,364.00	122.19	134	11	14,364.00	122.19	135	11	14,364.00	122.19
136	11	14,364.00	136	14,364.00	122.19	137	11	14,364.00	122.19	138	11	14,364.00	122.19
139	11	14,364.00	139	14,364.00	122.19	140	11	14,364.00	122.19	141	11	14,364.00	122.19
142	11	14,364.00	142	14,364.00	122.19	143	11	14,364.00	122.19	144	11	14,364.00	122.19
145	11	14,364.00	145	14,364.00	122.19	146	11	14,364.00	122.19	147	11	14,364.00	122.19
148	11	14,364.00	148	14,364.00	122.19	149	11	14,364.00	122.19	150	11	14,364.00	122.19
151	11	14,364.00	151	14,364.00	122.19	152	11	14,364.00	122.19	153	11	14,364.00	122.19
154	11	14,364.00	154	14,364.00	122.19	155	11	14,364.00	122.19	156	11	14,364.00	122.19
157	11	14,364.00	157	14,364.00	122.19	158	11	14,364.00	122.19	159	11	14,364.00	122.19
160	11	14,364.00	160	14,364.00	122.19	161	11	14,364.00	122.19	162	11	14,364.00	122.19
163	11	14,364.00	163	14,364.00	122.19	164	11	14,364.00	122.19	165	11	14,364.00	122.19
166	11	14,364.00	166	14,364.00	122.19	167	11	14,364.00	122.19	168	11	14,364.00	122.19
169	11	14,364.00	169	14,364.00	122.19	170	11	14,364.00	122.19	171	11	14,364.00	122.19
172	11	14,364.00	172	14,364.00	122.19	173	11	14,364.00	122.19	174	11	14,364.00	122.19
175	11	14,364.00	175	14,364.00	122.19	176	11	14,364.00	122.19	177	11	14,364.00	122.19
178	11	14,364.00	178	14,364.00	122.19	179	11	14,364.00	122.19	180	11	14,364.00	122.19
181	11	14,364.00	181	14,364.00	122.19	182	11	14,364.00	122.19	183	11	14,364.00	122.19
184	11	14,364.00	184	14,364.00	122.19	185	11	14,364.00	122.19	186	11	14,364.00	122.19
187	11	14,364.00	187	14,364.00	122.19	188	11	14,364.00	122.19	189	11	14,364.00	122.19
190	11	14,364.00	190	14,364.00	122.19	191	11	14,364.00	122.19	192	11	14,364.00	122.19
193	11	14,364.00	193	14,364.00	122.19	194	11	14,364.00	122.19	195	11	14,364.00	122.19
196	11	14,364.00	196	14,364.00	122.19	197	11	14,364.00	122.19	198	11	14,364.00	122.19
199	11	14,364.00	199	14,364.00	122.19	200	11	14,364.00	122.19	201	11	14,364.00	122.19
202	11	14,364.00	202	14,364.00	122.19	203	11	14,364.00	122.19	204	11	14,364.00	122.19
205	11	14,364.00	205	14,364.00	122.19	206	11	14,364.00	122.19	207	11	14,364.00	122.19
208	11	14,364.00	208	14,364.00	122.19	209	11	14,364.00	122.19	210	11	14,364.00	122.19
211	11	14,364.00	211	14,364.00	122.19	212	11	14,364.00	122.19	213	11	14,364.00	122.19
214	11	14,364.00	214	14,364.00	122.19	215	11	14,364.00	122.19	216	11	14,364.00	122.19
217	11	14,364.00	217	14,364.00	122.19	218	11	14,364.00	122.19	219	11	14,364.00	122.19
220	11	14,364.00	220	14,364.00	122.19	221	11	14,364.00	122.19	222	11	14,364.00	122.19
223	11	14,364.00	223	14,364.00	122.19	224	11	14,364.00	122.19	225	11	14,364.00	122.19
226	11	14,364.00	226	14,364.00	122.19	227	11	14,364.00	122.19	228	11	14,364.00	122.19
229	11	14,364.00	229	14,364.00	122.19	230	11	14,364.00	122.19	231	11	14,364.00	122.19
232	11	14,364.00	232	14,364.00	122.19	233	11	14,364.00	122.19	234	11	14,364.00	122.19
235	11	14,364.00	235	14,364.00	122.19	236	11	14,364.00	122.19	237	11	14,364.00	122.19
238	11	14,364.00	238	14,364.00	122.19	239	11	14,364.00	122.19	240	11	14,364.00	122.19
241	11	14,364.00	241	14,364.00	122.19	242	1						

Effective Rate, Ineffective Defense

“You should consider that naivety, carelessness, negligence, or stupidity of a victim does not excuse criminal conduct, if any, on the part of the Defendants.”

“The Government need not prove...that the alleged conspirators actually succeeded in accomplishing their unlawful objectives.”

Lies are not justified by pricing

Context-specific

Good deal? So what?

Employees

“The testimony of such a witness may alone be of sufficient weight to sustain a verdict of guilty.”

- *Acknowledgement of the fraud*
- *Workplace environment*
- *Akkad and Vaughan in charge*

The Coverup is Part of the Crime

The Power of Silence

Hidden Fees
Crooked Corporate Concealment